

KITSAP COUNTY, WASHINGTON
January 1, 1995 Through December 31, 1995

Schedule Of Findings

1. Administrative Controls Over CDBG And HOME Grant Programs Should Be Improved

Kitsap County first received Community Development Block Grant (CDBG) and HOME grant funding during 1993 and 1994, respectively. The county contracted with the City of Bremerton to administer the grants through 1995. Beginning January 1, 1996, the county began administering these grants.

These grants had the following administrative weaknesses.

- a. The county did not detail subrecipient monitoring reports enough to determine what procedures were performed to ensure grant requirements were met.
- b. Some subrecipient audit reports were missing and others were not required single audits.
- c. Expenditures were inadequately documented for one subrecipient.
- d. Appraisals for real property were missing in two out of three contracts tested.

Adequate documentation appeared to be missing because of the newness of the program and the transfer of records from the city to the county.

Because the monitoring reports failed to mention which grant requirements were looked at, and the required audit reports were either missing or inadequate, we were unable to determine whether the county met, among others, the following grant requirements:

- Davis Bacon Act
- Special tests - Tenant Occupancy
- Special tests - Home Ownership Occupancy
- Special tests - Lead-based Paint

We recommend:

- a. The county document its subrecipient monitoring reports in sufficient detail to document compliance with all applicable federal regulations.
- b. Obtain audit reports for all subrecipients who require it and ensure these audits

are done in accordance with the single audit act.